

## 2.A OASDI: Effect of Current Earnings & Taxation of Benefits

Table 2.A31.—Taxation of Social Security benefits

Act	Definition of income	Individuals or couples with income exceeding—	Benefits included in gross income	Effective for taxable years—
Married filing jointly				
1983 .....	Modified adjusted gross income, <sup>1</sup> plus 50 percent of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup>	\$32,000	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or one-half of income over \$32,000	Ending after Dec. 31, 1983
1993 .....	Same as above	32,000 but not 44,000  44,000	Same as above  Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or the sum of \$6,000 plus 85 percent of income over \$44,000	Beginning after Dec. 31, 1993
Married filing separate return <sup>3</sup>				
1983 .....	Same as above	0	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or one-half of income	Ending after Dec. 31, 1983
1993 .....	Same as above	0	Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or 85 percent of income	Beginning after Dec. 31, 1993
Individuals in all other filing categories				
1983 .....	Same as above	\$25,000	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or one-half of income over \$25,000	Ending after Dec. 31, 1983
1993 .....	Same as above	25,000 but not 34,000  34,000	Same as above  Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits <sup>2</sup> or 85 percent of income over \$34,000	Beginning after Dec. 31, 1993

<sup>1</sup> Adjusted gross income (before Social Security or Railroad Retirement benefits are considered), plus tax-exempt interest income, with further modification of adjusted gross income in some cases involving certain tax provisions of limited applicability among the beneficiary population.

<sup>2</sup> Includes workers' compensation benefits to the extent they cause a

reduction in Social Security or Tier 1 Railroad Retirement disability benefits.

<sup>3</sup> Includes only married taxpayers filing separately who lived with their spouses at any time during the tax year; married individuals filing separately who did not live with their spouse are treated the same as unmarried individuals.